

TEACHERS' RETIREMENT BOARD

INVESTMENT COMMITTEE

SUBJECT: Alternative Investments
Activity Status Report

ITEM NUMBER: 11

ATTACHMENT(S): 3

ACTION: _____

DATE OF MEETING: November 8, 2000

INFORMATION: X

PRESENTER(S): Réal Desrochers

The table below contains Alternative Investment activity for the month of September 2000 and historical information for selected time periods.

| | Month Ended 9/31/00 | Fiscal Year To Date | Past One Year | Past Three Years | Past Five Years |
|-----------------------|------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| <u>Commitments:</u> | | | | | |
| Partnerships | \$ 200,000,000 | \$ 720,000,000 | \$ 3,362,460,000 | \$ 5,601,190,013 | \$ 6,899,053,059 |
| Co-Investments | 0 | 35,000,000 | 102,500,000 | 127,499,996 | 174,499,996 |
| Secondaries | 0 | 0 | 0 | 80,067,245 | 80,067,245 |
| | \$ 200,000,000 | \$ 755,000,000 | \$ 3,464,960,000 | \$ 5,808,757,254 | \$ 7,153,620,300 |
| <u>Contributions:</u> | | | | | |
| Partnerships | \$ 51,756,153 | \$ 51,756,153 | \$ 51,756,153 | \$ 51,756,153 | \$ 51,756,153 |
| Co-Investments | 1,488,804 | 1,488,804 | 1,488,804 | 1,488,804 | 1,488,804 |
| Secondaries | 152,943 | 152,943 | 152,943 | 152,943 | 152,943 |
| Mgmt. Fee (Outside) | 0 | 0 | 0 | 0 | 0 |
| | \$ 53,397,900 | \$ 53,397,900 | \$ 53,397,900 | \$ 53,397,900 | \$ 53,397,900 |
| <u>Distributions:</u> | | | | | |
| Cash | \$ 51,325,385 | \$ 51,325,385 | \$ 51,325,385 | \$ 51,325,385 | \$ 51,325,385 |
| Stock | 45,003,683 | 45,003,683 | 45,003,683 | 45,003,683 | 45,003,683 |
| | \$ 96,329,068 | \$ 96,329,068 | \$ 96,329,068 | \$ 96,329,068 | \$ 96,329,068 |
| Stock Sales | \$ 40,570,447 | \$ 347,885,415 | \$ 1,089,093,687 | \$ 1,401,246,580 | \$ 1,561,387,627 |

In accordance with the Alternative Investments Business Plan, this report also presents a summary of the status of the portfolio at the quarter ended September 30, 2000. Attachment 1 presents approved allocations and targets to each Alternative Investment Sub-Category, and shows CalSTRS' current exposure in each of the respective segments.

Attachment 2 contains a summary of investment performance and portfolio exposure by market segment. Secondary interests, representing 2.1% of the portfolio, outperformed the other market segments, followed closely by the venture capital segment, which represents 15.5% of the portfolio. These two market segments generated internal rates of return of 44.9% and 42.8%, respectively.

During the month of October 2000, staff made a \$1.1 million co-investment in Concentra Managed Care, Inc., in accordance with delegation of authority guidelines. An executive summary of this investment is provided in Attachment 3.

Note: Attachments 1, 2, and 3 are not available in electronic format at this time.